

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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DATE: FEBRUARY 10, 2003
FROM: JAMES M. RODDY, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #3: Status Report on LAFCO #2911—Sphere of Influence Review (reduction) and LAFCO #2912--Detachment from the West San Bernardino County Water District

RECOMMENDATION:

Based on testimony to be received at the February 19th hearing, schedule the public hearing on these proposals as the Commission deems appropriate.

BACKGROUND INFORMATION:

LAFCO #2911 and #2912 involve a proposed sphere of influence reduction and a detachment proposal from the West San Bernardino County Water District (WSBCWD). These proposals were initiated by the owners of the proposed "Coyote Canyon" development which was annexed to the City of Fontana more than one year ago. The study area consists of approximately 325 acres which includes a 650-lot subdivision adjacent to the "Hunters Ridge" development within the City of Fontana.

At the November 20, 2002 hearing, the Commission took several preliminary actions related to these proposals.

1. The Commission agreed to retain Mr. Jeffrey Goldfarb, a partner in the law firm of Rutan & Tucker, as Special Legal Counsel, on the basis that the Commission's regular Legal Counsel, Mr. Clark Alsop, is also the City Attorney for the City of Fontana. Commissioners will recall that the City has taken a position of conditional support for the sphere reduction and detachment from the WSBCWD, thereby establishing a conflict for Mr. Alsop.

2. The Commission denied the proponent's request to waive the filing fees for the sphere of influence study on the basis that the sphere study will also include a "service review" required by Government Code Section 56430. Although the WSBCWD could have agreed to a waiver of the service review requirement (since this is a "minor" sphere proposal), the District indicated that it would retain a consultant to perform the study, and the study would be undertaken immediately.
3. In an effort to expedite the review of these proposals, the Commission urged the District to complete its service review study as soon as possible, and it scheduled a status report on the issue for the February 19th hearing.

Thus, the purpose of this hearing is to allow all interested parties an opportunity to advise the Commission on the progress of discussions and studies that have been undertaken since the November hearing. The only possible Commission action on February 19th is to schedule a formal hearing date for these proposals, provided that the petitioners wish to continue to pursue the detachment, and that the WSBCWD will complete its sphere/service review studies in a timely fashion.

STATUS REPORT ISSUES:

The petitioners for removal of the Coyote Canyon area from the WSBCWD sphere of influence and service boundaries have historically indicated that they would consider withdrawal of the proposals if essentially two "conditions" were met by the District. In addition, the City of Fontana City Council indicated that its support for these proposals would be withdrawn if those conditions were fulfilled by the District. At the February hearing, then, it would be helpful for the parties to re-state their positions, and provide a status report on the following two issues:

1. Four-Party Agreement. Commissioners may recall that staff recommended that approval of the Fontana annexation of the Coyote Canyon area should be conditioned upon a four-party agreement being reached among the Inland Empire Utilities Agency, the San Bernardino Valley Municipal Water District, the Metropolitan Water District of Southern California, and the West San Bernardino County Water District on matters pertaining to the delivery of wholesale and retail water services within the development area.

The District will indicate at the February hearing that the four-party agreement has been reached, thereby fulfilling one of the “conditions” that was established by the City of Fontana for withdrawal of its support for these applications. A copy of the agreement is attached to this report for Commission review.

2. Water Delivery. The second condition that may lead to withdrawal of these proposals is the availability of water service to the Coyote Canyon development area by the end of 2002. This included development of a secondary source for water delivery to the site.

The District will indicate that water service is now available to the Coyote Canyon development site, thereby partially fulfilling this condition for withdrawal of the applications. The secondary water source is not yet available because the Fontana Water Company has not consented to an intertie with its system.

The District will also discuss a letter it received from the California Department of Health which indicates that the already-completed 18-inch line along Lytle Creek Road designed to provide primary service to the site is sufficient for development purposes, with the understanding that a secondary water source will be constructed within a twelve month period. A copy of the Department of Health’s letter is attached for Commission review.

In addition, staff has attached to this report copies of correspondence from the WSBCWD and the District’s legal counsel to the Fontana Water Company concerning the intertie request. The District’s legal counsel has also indicated that the developers have offered to provide a well site in the area for development of additional water resources to serve the Coyote Canyon area.

Further information on water delivery issues will be provided at the hearing by District staff, legal counsel, and consultants. It appears, however, that the District has satisfied the condition that water service be immediately provided to the area, and the District is making progress in providing a secondary water source for future development of the area.

The Commission should also be advised the City Council for the City of Fontana conducted a further workshop session on December 17, 2002 concerning this issue. In the attached letter from Frank Shuma, Community Development Director, the City indicates that the Council took no action on the Coyote Canyon issue and that its previously-stated position

currently remains unchanged. That is, the City has indicated that it would withdraw its support for these proposals provided the District met the conditions outlined above.

Finally, the Commission should be advised that the District has contracted with Cotton Bridges Associates (CBA) to undertake the municipal service review that is required prior to or in conjunction with a sphere of influence study. CBA has provided an initial status report on its study, and indicates that the final study is scheduled to be submitted to the Commission in late March or early April. CBA's initial status report (along with its own attachments) is included in the attachments to this report.

CONCLUSION:

This report is not intended to provide a comprehensive review of the issues associated with LAFCO #2911 and #2912. The purpose of this report is to simply provide an introduction to the issues to facilitate discussion at the February 19 hearing. It is expected that each of the affected parties will provide an oral presentation concerning the status of the studies necessary for a full review of these proposals.

The only legally possible Commission action at the hearing is to schedule these proposals for a full review. Based on the response from the District's consultants, it would appear that the Commission could schedule a final hearing on these proposals for its regular hearing scheduled for April 16, 2003.

Attachments:

1. Four-Party Agreement
2. Letter from the California Department of Health
3. Correspondence from Redwine and Sherrill and the WSBCWD to the Fontana Water Company
4. Letter from the City of Fontana
5. Status Report from Cotton Bridges Associates